

President Obama's Address on Debt Ceiling Negotiations

The following is the transcript of President Barack Obama's remarks Friday on the debt ceiling, as transcribed by the White House:

"Good morning, everybody. I want to speak about the ongoing and increasingly urgent efforts to avoid default and reduce our deficit.

"Right now, the House of Representatives is still trying to pass a bill that a majority of Republicans and Democrats in the Senate have already said they won't vote for. It's a plan that would force us to re-live this crisis in just a few short months, holding our economy captive to Washington politics once again. In other words, it does not solve the problem, and it has no chance of becoming law.

"What's clear now is that any solution to avoid default must be bipartisan. It must have the support of both parties that were sent here to represent the American people — not just one faction. It will have to have the support of both the House and the Senate. And there are multiple ways to resolve this problem. Senator Reid, a Democrat, has introduced a plan in the Senate that contains cuts agreed upon by both parties. Senator McConnell, a Republican, offered a solution that could get us through this. There are plenty of modifications we can make to either of these plans in order to get them passed through both the House and the Senate and would allow me to sign them into law. And today I urge Democrats and Republicans in the Senate to find common ground on a plan that can get support — that can get support from both parties in the House — a plan that I can sign by Tuesday.

"Now, keep in mind, this is not a situation where the two parties are miles apart. We're in rough agreement about how much spending can be cut responsibly as a first step toward reducing our deficit. We agree on a process where the next step is a debate in the coming months on tax reform and entitlement reform — and I'm ready and willing to have that debate. And if we need to put in place some kind of enforcement mechanism to hold us all accountable for making these reforms, I'll support that too if it's done in a smart and balanced way.

"So there are plenty of ways out of this mess. But we are almost out of time. We need to reach a compromise by Tuesday so that our country will have the ability to pay its bills on time, as we always have — bills that include monthly Social Security checks, veterans' benefits and the government contracts we've signed with thousands of businesses. Keep in mind, if we don't do that, if we don't come to an agreement, we could lose our country's AAA credit rating, not because we didn't have the capacity to pay our bills — we do — but because we didn't have a AAA political system to match our AAA credit rating.

"And make no mistake — for those who say they oppose tax increases on anyone, a lower credit rating would result potentially in a tax increase on everyone in the form of higher interest rates on their mortgages, their car loans, their credit cards. And that's inexcusable.

"There are a lot of crises in the world that we can't always predict or avoid — hurricanes, earthquakes, tornadoes, terrorist attacks. This isn't one of those crises. The power to solve this is in our hands. And on a day when we've been reminded how fragile the economy already is, this is one burden we can lift ourselves. We can end it with a simple vote — a vote that Democrats and Republicans have been taking for decades, a vote that the leaders in Congress have taken for decades.

“It’s not a vote that allows Congress to spend more money. Raising the debt ceiling simply gives our country the ability to pay the bills that Congress has already racked up. I want to emphasize that. The debt ceiling does not determine how much more money we can spend, it simply authorizes us to pay the bills we already have racked up. It gives the United States of America the ability to keep its word.

“Now, on Monday night, I asked the American people to make their voice heard in this debate, and the response was overwhelming. So please, to all the American people, keep it up. If you want to see a bipartisan compromise — a bill that can pass both houses of Congress and that I can sign — let your members of Congress know. Make a phone call. Send an email. Tweet. Keep the pressure on Washington, and we can get past this.

“And for my part, our administration will be continuing to work with Democrats and Republicans all weekend long until we find a solution. The time for putting party first is over. The time for compromise on behalf of the American people is now. And I am confident that we can solve this problem. I’m confident that we will solve this problem. For all the intrigue and all the drama that’s taking place on Capitol Hill right now, I’m confident that common sense and cooler heads will prevail.

“But as I said earlier, we are now running out of time. It’s important for everybody to step up and show the leadership that the American people expect.

“Thank you.”